

**NEBRASKA BOARD OF PUBLIC ACCOUNTANCY  
MEETING MINUTES OF  
MAY 20-21, 1999**

**1. General**

**A. Call to Order and Roll Call.** The Board of Public Accountancy was called to order at 1:22 p.m. on Thursday, May 20, 1999 with Chair Kathleen Smith presiding. The meeting was held at the office of the Board at 140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska.

The roll was called with the following members present: Kathleen Smith, Nina Kavich, William Gaines, Dean Graf, Richard Hoiekvam, and George Klein. Member Luke Aldy was present at 1:30 p.m. Member David Hunter was absent from the meeting but participated by telephone conference call part of Friday morning. Also present were personnel members Annette Harmon and Gerald Batliner. Board Legal Counsel, Robert Gruit, and Lynn Melson, Assistant Attorney General, were present during a portion of the meeting.

**B. Approval of meeting agenda for May 20-21, 1999.** Moved by Klein, seconded by Kavich, to approve the agenda for the May 20-21, 1999 meeting as published. On roll call vote, all members present voted aye. Members Aldy and Hunter were absent. Motion number 1 carried.

**C. Approval of the minutes of the March 22, 1999 Board meeting.** Moved by Graf, seconded by Kavich, to approve the minutes as amended by Richard Hoiekvam, as follows:

1. Under Item 7.A. Report from Executive Director, second paragraph, after "the Executive Director reported that," delete "the description, classification and corresponding salary for the vacancy had been approved," and insert "she received authorization from the Department of Personnel to fill the vacant position."

2. Under Item 7.A. Report from Executive Director, ninth paragraph, delete "concerns" and insert "objections."

3. Under Item 7.A. Report from Executive Director, tenth paragraph, after "Currently," delete "an" and insert "this."

On roll call vote, all members present voted aye. Members Aldy and Hunter were absent. Motion number 2 carried.

**D. Public Comment Period.** No members of the public were present.

**2. Consent Agenda**

**Approval of Consent Agenda by Roll Call Vote.** Moved by Gaines, seconded by Kavich, to approve the Consent Agenda. On roll call vote, all members present voted aye. Motion number 3 carried.

**A. Published Notice of Meeting.** Pursuant to call and published notice, the notice of meeting is herewith attached.

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**B. Review of Board Budget Status Report.** The Board reviewed the March 31 and April 30, 1999 Budget Status Reports.

**C. Approval of March and April 1999 disbursements.** The Board reviewed and approved March and April 1999 disbursements.

**D. Request for Acceptance of Voluntarily Surrendered CPA Certificates and Inactive-Retired Status.** The Board accepted the request of Chad Tramp to voluntarily surrender his Nebraska CPA certificate, and the requests of Alvin Backes, Robert N. Dyas, Richard Geier, Fred H. Glaser, Edward F. Greteman, Larry L. Larson, Richard H. McCormick, Dennis E. Mitchem, Richard H. Snyder and Clarence O. Walters to "Inactive-Retired" status.

**E. Office Management Report.** The Board reviewed a report on permits and registrations issued as of May 3, 1999. Prior year's statistics were also reviewed for comparison.

**3. Formal Hearing on Complaint #97-27: Les Wilhelm**

A Formal Hearing was convened at 1:36 p.m. on May 20, 1999 for the alleged violations of the Public Accountancy Act, Section 1-137(4) Violation of a rule of professional conduct; Title 288, Chapter 5, Section 007.01 Acts Discreditable and 007.05 Communications; Chapter 4, Section 006.07(A1) on the Quality Enhancement Program (QEP); Chapter 8, Section 007.03 Filing of Continuing Professional Education (CPE) courses; and Chapter 8, Section 008.01 CPE Requirements and Non-compliance. Representing the Board of Public Accountancy was Robert T. Gruit from Baylor, Evnen, Curtis, Gruit and Witt. R. Kent Radke was the independent hearing officer. The Respondent, Les Wilhelm, was neither present nor represented by counsel. Board members present and participating on this matter were Kathleen Smith, Nina Kavich, William Gaines, Luke Aldy, Dean Graf, Richard Hoiekvam, and George Klein. David Hunter was absent.

**6. Executive Reports**

**A. Report from Executive Director.** The Executive Director reported that the Biennium Budget contained in LB 880 was passed by the Legislature last week and approved by the Governor on Tuesday, May 18, 1999. The approved final requests were \$462,062 for fiscal year 1999-2000 and \$458,460 for fiscal year 2000-2001. The Personal Service Limitation (PSL) amount was capped at \$165,165 and \$169,302 for each fiscal year respectively. Included within the PSL limit was \$20,000 for Board per diems each fiscal year. Although \$32,000 a year was requested for per diems, the Legislative Fiscal Office and the Appropriations Committee reviewed the Board's expenses in this area and determined it should be capped at \$20,000 per year. In previous years, legal fees had been capped but were unrestricted in this biennium budget. The Executive Director referred the Board to the April 30, 1999 Budget Status Report, which reflected a substantial amount of unspent appropriations. Any amount of unspent appropriation at the end of the current fiscal year and biennium budget (6/30/99) will be lost. The Board's reserves are approximately \$500,000 but the unspent appropriation is not added to the reserve fund. The appropriation for the coming biennium included funds for a potential 5%

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raise for the Executive Director, 2% raises for Union represented employees on July 1, 1999 and 2000, 2.5% increases due to the implementation of the Step Pay Plan on January 1, 2000 and 2001, and expenditures for travel were not limited. By June 30, 1999 the Executive Director will need to submit the final budget for 1999-2000, specifying the categories for the areas approved.

The Executive Director reported her attendance at the regular meeting of the Independent (non-code) Agency Directors on May 18, 1999 where Governor Johanns addressed the budget and the budget process, and where agency directors should go to report problems or ask questions in a particular area. He also stated that his office should be notified of any matter which may affect the State (i.e. issue reported by the media). Governor Johanns has eliminated the position of Chief of Staff but Larry Bare functions in much the same capacity. Media issues are to be handled directly by contacting Chris Petersen. The Governor was questioned about classified non-union position pay increases. He stated that he did not believe in automatic pay increases but feels that increases should be performance based. The Governor also stated his extreme dislike of one-time employee bonuses and that he would be very chagrined to learn if such bonuses were given. Vicky Powell is the individual in the Governor's office handling appointments and the Governor encouraged the Directors to contact her with any suggestions or recommendations. Lori McClurg, DAS Director, spoke about how the non-contract employee pay increases will be handled with a 2% increase on July 1, 1999 and an option of increasing the salary from 0 to 4% on January 1, 2000 at the Directors' discretion. Thereby, performance could be rewarded. Gary Pavel, the new DAS Accounting Administrator, also spoke about State Travel cards and purchase cards.

Computer programming is progressing with meetings being held with IMS (Information Management Services). However, the expected completion date is now September 1<sup>st</sup> since an emergency arose in the Governor's office and they were taking care of that project first.

The Executive Director formally welcomed the new Administrator, Jerry Batliner, who started April 8.

Also, the latest NASBA Focus Questions were passed out and input requested from any Board member before the Executive Director forwards them to the Regional Director.

**4. Formal Hearing for Reinstatement of Revoked CPA Certificate: Alan W. Friesen**

A Formal Hearing was held at 2:15 p.m. on May 20, 1999 for the reinstatement of the revoked CPA Certificate of Alan W. Friesen. The petitioner, Alan W. Friesen, was present and addressed the Board regarding his revocation, the reason for his request for reinstatement and addressed questions from Board members. Board members present were Kathleen Smith, Nina Kavich, William Gaines, Luke Aldy, Dean Graf, Richard Hoiekvam, and George Klein. David Hunter was absent.

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**CLOSED MEETING**

**Closed Meeting.** Moved by Klein, seconded by Kavich, that the Board go into closed session at 3:00 p.m. to discuss enforcement issues. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 4 carried.

An informal hearing was held in closed session on Complaint #98-06. As requested by the Board, two licensed representatives of the firm appeared and offered their written and oral comments concerning the review of audit reports and workpapers.

**Return to Open Meeting.** Moved by Hoiekvam, seconded by Gaines, that the Board return to open session at 3:55 p.m. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 5 carried.

**The Board recessed for the day at 4:05 p.m.**

**The Board reconvened, Friday, May 21, 1999 at 8:30 a.m.** All members were present with the exception of David Hunter.

**6. Executive Reports**

**B. Report from Treasurer.** The Board reviewed the Fund Summary Report from March 31, 1999, and the Budget Status Reports from March 31, 1999 and April 30, 1999.

**7. Legislation and Rules Committee**

**A. Passage of LB 346.** LB346 was passed by the Legislature and signed by the Governor on March 30, 1999. Since the bill carried the emergency clause, it was effective 24 hours after signing – March 31, 1999. The changes have been made for publication. There were two parts to the legislation: a change in the ownership of firms by non-licensed individuals from 33 to 49%; and the eligibility of an examination candidate to sit for the CPA exam within 60 days of graduation.

**B. Proposed Rules.** The proposed rules on commissions, contingent fees and referral fees were approved by the Governor on April 27, 1999 and filed with the Secretary of State's office the same day. By law they are effective five days later – May 2, 1999. Changes have been made for publication and a copy will be sent with each license renewal, as well as to the 1998-2000 permit holders.

**C. Joint Task Force Update.** The NSCPA Legislative Task Force met at Mahoney State Park on Wednesday, April 28, 1999. The following items were discussed:

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1. It was decided to rewrite portions of the Public Accountancy Act to implement provisions of the UAA that the Task Force thinks should be included.
2. It should remain a public accountancy act – not just an accountancy act.
3. We support a one-tier system.
4. Transitional requirements will need to be written into the act.
5. The Current education and experience requirements were discussed in terms of what could be done to them without impairing substantial equivalency with other states. How do experience "core competencies" (i.e. Oregon's experience requirement) compare with our two year requirement? Could we go back and delete or significantly change the 150-hour education requirement?

Dan Vodvarka, NSCPA President, will send a notice of when the next meeting will be held.

**8. Continuing Education Committee**

**A. Ratification of staff program evaluations since last meeting.** Moved by Gaines, with the Committee's recommendation, to approve the recommendations of administrative personnel for courses requesting continuing education credit. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 6 carried.

**B. Report on NASBA's CPE conference.** Mary Shonerd appeared before the Board to report on the NASBA CPE conference she attended in March 1999. A written report was also submitted.

**C. Individuals Not Meeting CPE Requirements to Renew Permit for 1999-2001.** The Board reviewed a listing of licensees who are deficient in CPE hours to renew their permit for 1999-2001. The committee reported there were 23 individuals who were deficient and that the committee has given them until June 15, 1999 to clear the deficiency. After that they will be referred to the Exam and Licensing Committee.

**Closed Meeting.**

**Closed meeting.** Moved by Kavich, second by Gaines, that the board go into closed session at 9:04 a.m. to discuss enforcement issues. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 7 carried.

Member Hunter joined the meeting by telephone conference call from 10:15 a.m. to 2:00 p.m.

**Return to Open Meeting.** Moved by Hoiekvam, seconded by Kavich, that the Board return to open session at 10:32 a.m. On roll call vote, all members present voted aye. Member Hunter was participating by telephone but did not vote. Motion number 8 carried.

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**11. Presentation from Lynn Melson on Administrative Law Issues.**

Assistant Attorney General Lynn Melson was asked to address several issues concerning administrative law from a list provided prior to the scheduled meeting. Ms. Melson addressed the issues presented, including evidence, ex parte communication, due process, public/non-public records, recusing oneself when not able to be impartial, prohibiting investigator(s) to sit in on Board deliberations or from advising decision maker(s), standard of proof in an administrative law proceeding and public meetings laws. She also answered additional questions from Board members.

**6. Executive Reports**

**C. Report from the Chairman of the Board.**

**1. Evaluation of the Executive Director.** In accordance with State law and the Board's July 1994 policy, the Chair reported that the Executive Committee had performed the annual evaluation of the Executive Director during the May CPA Exam. It was brought to the Board for review before sending to DAS Personnel in accordance with the law.

**Closed Meeting.**

**Closed meeting.** Moved by Hoiekvam, second by Klein, that the board go into closed session at 11:53 a.m. to discuss personnel issues and potential litigation. On roll call vote, all members present voted aye. Member Hunter was participating by phone but did not vote. Motion number 9 carried.

**Return to Open Meeting.** Moved by Aldy, seconded by Kavich, that the Board return to open session at 2:32 p.m. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 10 carried.

**6. Executive Reports**

**C. Report from the Chairman of the Board.**

**1. Evaluation of the Executive Director.** The Chair further reported that the Executive Committee met with Annette Harmon regarding her evaluation for the past year, and that she was evaluated per the performance plan form. The Board has discussed any further comments that need to go forward to the Executive Director. There being none, what the Executive Committee has already talked to her about will go forward. Moved by Gaines, seconded by Kavich, since the Executive Committee so recommends that the Board retain the Executive Director in the position. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 11 carried.

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**2. Discussion of Salary Increases/Merit Bonuses for Executive Director and Staff.** The Chair reported as an aside that the Executive Director had already reported that the staff will be receiving an automatic 2% increase on July 1, 1999 and a step increase as of January 1<sup>st</sup> that is basically a 2.5% increase. Moved by Kavich, seconded by Gaines, that the salary increase for the Executive Director be 3.25% and that there would be no merit bonuses this year in accordance with the Governor's wishes. On roll call vote, all members present voted aye, with the exception of Member Klein who voted nay. Member Hunter was absent. Motion number 12 carried.

**3. Formal Hearing on Complaint #97-27: Les Wilhelm**

Based upon the evidence presented in the formal hearing held on Thursday, May 20, 1999, the Board determined that formal disciplinary action should be taken against Mr. Wilhelm. Moved by Klein, with the Committee's recommendation, to issue a Findings of Fact, Conclusions of Law, and Decision and Order in the matter finding that Wilhelm has violated Section 1-137(4) Violation of a rule of professional conduct; Title 288, Chapter 5, Section 007.01 Acts Discreditable and 007.05 Communications; Chapter 4, Section 006.07(A1) on the Quality Enhancement Program (QEP); Chapter 8, Section 007.03 Filing of Continuing Professional Education (CPE) courses; and Chapter 8, Section 008.01 CPE Requirements and Non-compliance; and as a result of the above violations that his Nebraska CPA Certificate number 1444 be revoked. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 13 carried.

**4. Formal Hearing for Reinstatement of Revoked CPA Certificate: Alan W. Friesen**

Moved by Klein, with the Committee's recommendation, to reinstate Mr. Friesen's Nebraska CPA Certificate number 1211 on August 17, 1999, which is one year after it was revoked. On roll call vote, all members present voted aye, with the exception of Member Gaines who voted nay. Member Hunter was absent. Motion number 14 carried.

**5. Informal Hearing on 98-06 Violation of Standards in Performance of Audit**

Moved by Klein, with the Committee's recommendation, to acknowledge that the firm has responded to the Board's concerns and made efforts to correct problems; to require the firm furnish a copy of their Peer Review when completed; to require pre-issuance review by another firm acceptable to the Board (at their own cost) should their firm contract for any single audit engagements; and to require the firm provide the Board copies of their 1998 reports issued for Walt Hill School and the City of Laurel, as well as a copy of a review and compilation issued in 1998. The Board retains the option for further investigation. On roll call vote, all members

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present voted aye, with the exception of Member Graf who abstained. Member Hunter was absent. Motion number 15 carried.

**9. Enforcement of Professional Conduct Committee**

**A. Complaint Consent Agenda.** The Board reviewed the Complaint Status Log, a “log” of complaints received, action taken, monitoring status, etc. and a log of unresolved complaints that are being carried over from prior years. Moved by Klein, with the Committee’s recommendation, to approve the complaint Consent Agenda. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 16 carried.

**B. 99-04 Withholding of Client Records by Attorney/CPA Certificate Holder.** An attorney/CPA Certificate Holder was representing the complainant before the IRS in court, but delayed in getting tax returns done. The delinquent returns were given to a CPA/CPA firm to complete and records were asked for. The Attorney/CPA Certificate Holder says he was not paid and he has asserted an attorney lien pursuant to Neb. Rev. Stat. Section 7-108. He claims he has not performed any work for the client as a CPA, only as an attorney and that there are no records to return that his attorney lien has not attached. Moved by Klein, with the Committee’s recommendation, to close this complaint. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 17 carried.

**C. Request for Agency Declaratory Order – DO-02-99 (Independence).** The Board received a Petition for an Agency Declaratory Order from a CPA regarding his eligibility to perform an audit. Moved by Klein, with the Committee’s recommendation, that the Petitioner be notified that the Board is not issuing an Agency Declaratory Order since it is the practitioner’s professional responsibility to make the decision regarding independence. On roll call vote, all members voted aye. Member Hunter was absent. Motion number 18 carried.

**D. Request for Agency Declaratory Order – DO-03-99 (Independence).** The Board received a Petition for an Agency Declaration Order from a CPA regarding the Code of Professional Ethics and his firm’s independence in the performance of an audit engagement. Moved by Klein, with the Committee’s recommendation, that the Petitioner be notified that the Board is not issuing an Agency Declaratory Order since it is the practitioner’s professional responsibility to make the decision regarding independence. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 19 carried.

**E. 98-09 Lee Johnson.** A formal hearing was held on March 22, 1999 for alleged violations of 1-137(4) Violation of a Rule of Professional Conduct, including Chapter 5, sections 005.02(C) and (D) relating to return of client records; Section 007.01, Acts Discreditable; Section 0007.05, Board Communications; and Section 007.06, Obligation of certificate holders to notify the Board of changes of address and other information. Moved by Klein, with the Committee’s recommendation, to accept and adopt Hearing Officer Kent Radke’s Findings of Fact and Conclusions of Law; and issue a Decision and Order to suspend Lee Johnson’s Nebraska CPA



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Certificate number 1751 for a period of one year from the date of the Order; require that he be assessed the costs of the hearing of approximately \$2,000 to be paid within sixty days of the date of the Order; and that upon any client request, he return any documents immediately. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 20 carried.

**F. Update on Morris Shields Appeal.** Board Legal Counsel Bob Gruit has filed the required brief with the Court in a timely manner. Shield's attorney, Tyler Gaines, has also filed his response to the brief. At this point, the judge will review the briefs and the official record and make a determination. There is no indication of when his opinion might be issued.

**G. Permit Renewal Applications with Pending Litigation.** As firm permit and sole proprietor permit applications come in, those who have indicated they are involved in pending litigation will be tagged for potential litigation monitoring request orders. For the past two years, a monitoring order has been requested from every firm indicating pending litigation, regardless of the nature of the litigation. Moved by Klein, with the Committee's recommendation, that this matter be postponed until the next scheduled Board meeting. On roll call vote, all members present voted aye. Member Hunter was absent. Motion 21 carried.

**H. 99-06 Certificate holder issuing compilation statement with budget report for political subdivision while Inactive.** The Auditor of Public Accounts notified the Board of an individual that issued a compilation report with a political subdivision's budget while he was registered as Inactive. The Board directed the Executive Director to inform the individual that he cannot use SSARS language while he is an Inactive Registrant and that he was to respond to this communication within ten days. The individual had not responded as of May 21, 1999. Moved by Klein, with the Committee's recommendation, that since the individual has not responded to the Board's request for a response, that the matter be set for an Informal Hearing at the next scheduled Board meeting. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 22 carried.

**I. New Complaints.** No new Complaints were filed. The Board found no action necessary.

**10. Examination & Licensing Committee**

**A. Ratification of initial permits to practice issued; certificates issued.** Moved by Aldy, with the Committee's recommendation, to ratify the initial permits to practice and certificates issued by examination and reciprocity. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 23 carried.

**B. Approval of Applications for November 1999 Exam.** The Board reviewed applications and an information sheet for candidates to initially sit for the exam and for re-examination. Moved by Aldy, with the Committee's recommendation, to approve the applications for the November 1999 CPA Exam with one amendment, which is to insert the location on each form.

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On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 24 carried.

**C. Review of Part-Time Experience Requirements.** The Board reviewed the current experience policy that allows for part-time experience to qualify towards the two-year experience requirement. Moved by Aldy, with the Committee's recommendation, that effective August 1, 1999, the Board designate the experience requirement as representing 4,000 hours in a period of not less than two years, as evidenced by a CPA in good standing. The certification of experience form will be revised and approved by the Board at the next meeting. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 25 carried.

**D. Renewal Process.** Applications for renewal were sent to all current permit holders with a permit expiration of June 30, 1999 that had sufficient CPE to renew, current Inactive registrants with experience on file, and to firms with current permits to practice expiring June 30, 1999. Moved by Aldy, with the Committee's recommendation, that for those firms and practitioners that do not renew by June 30, 1999, an administrative fee (via a Stipulation and Consent Order) would apply for late renewal. If there is a reasonable explanation for the late renewal (i.e. medical or extenuating circumstances), administration would have the ability to renew without the fee. For those who did not renew timely and this was the first occurrence, they will be assessed a \$250 administrative fee. For those who have not renewed at least one time since 1998, they will be assessed a \$500 administrative fee. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 26 carried.

**E. Applications to Reinstate Active Permits.** Per the Board policy established at the March 22, 1999 meeting, an active permit was reinstated to Gary L. Vander Woude with an effective date of July 1, 1999. Moved by Aldy, with the Committee's recommendation, to approve the application for reinstatement to an active permit. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 27 carried.

**F. Request for Review of Audit Experience.** A CPA Certificate holder has requested her former employer in California verify her audit experience there a number of years ago. In speaking with the supervising CPA, he acknowledges that the certificate holder did work for him and he has answered yes to all but two questions on the certification form. Moved by Aldy, with the Committee's recommendation, to accept the certificate holder's documentation as reasonable evidence to approve the experience and issue a permit. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 28 carried.

## **12. New Business**

### **A. Discussion of Agency Items (per Richard Hoiekvam).**

**1. Executive Committee.** The role of the Executive Committee is to supervise the Executive Director under the umbrella of the Board's guidance. Board members are encouraged to call the Chair, Vice Chair or Secretary if they have any questions.

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**2. Agency Operations and Review.** This item was a carry over from the last meeting's agenda where Member Hoiekvam had offered to do a review of the office. The Chair stated that the State Auditor audits our office every three years which includes a performance based audit report, meant to be based on outcomes. The Board also has a budget process which is also somewhat of an operations review. It is the job of the Board to determine what the procedures are, and are always analyzing every major function of the office like CPE and licensing by Committee structure. There is an aspect that the Board is continually doing that. There is also an issue of who would do the review if one was decided to be done; to be careful that we do have an independent evaluator; and what is the cost factor of it. What is not being done, or why would we need an operations review would need to be addressed. No action necessary.

**3. Administrative Assistant II Position.** Moved by Hoiekvam, seconded by Aldy, to approve the Administrative Assistant II position as authorized by the Department of Personnel in December 1998. On roll call vote, Member Graf abstained, Members Klein and Hoiekvam voted nay, and Members Aldy, Gaines, Kavich and Smith voted aye. Member Hunter was absent. Motion number 29 carried.

**4. Duties and responsibilities of Executive Director.** This item was discussed previously. However, it was suggested that for the next meeting all current job descriptions be brought in, upgraded and ratified so that everyone is aware of each position's job responsibilities.

**5. Investigation and Enforcement Policy.** Moved by Aldy, seconded by Kavich, that the Board's policy with respect to investigation is to investigate those matters for which we have received a complaint or those matters specifically directed for investigation by this Board; if there is any question about a matter that's referred to the Board for action, as to whether it represents a complaint or not, that the Board will make that decision. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 30 carried.

**6. Biennium Budget.** Moved by Hoiekvam, seconded by Gaines, to approve the biennium budget for 1999-2001. On roll call vote, all members present voted aye, with the exception of Member Graf who abstained. Member Hunter was absent. Motion number 31 carried.

**7. Control of AudioTapes.** There is no Board policy on taping open meetings, closed meetings, keeping tapes of past meetings, taping motions only, etc. Perhaps procedures of making motions, minutes, etc. can be discussed more thoroughly at the next meeting.

**B. Future Meeting Dates.** The next regularly scheduled Board meeting is August 16-17, 1999 in Lincoln, Nebraska. Committee meetings will be held the evening of Sunday, August 15. Future meeting dates are scheduled for September 16-17, 1999 in Lincoln; and December 2-3, 1999, January 13-14, 2000 and April 20-21, 2000 with locations to be determined.

**C. Review of Travel Policies.** The Board was given current Board member and Staff Member traveling policies. Moved by Graf, seconded by Kavich, that Board members will approve attendance, travel and expenses of Board members and the Executive Director on a conference by conference basis, based on budget and availability of people to attend; and that the Executive Director will approve the attendance of employees. On roll call vote, all members present voted aye, with the exception of Member Gaines who voted nay. Member Hunter was absent. Motion number 32 carried.

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**D. Office Space Lease.** Bids for office space were accepted through Monday, May 3, 1999, proposals were reviewed and the Executive Director recommended the acceptance of a step payment from Jon Camp for the Board's current space in the Apothecary Building. Moved by Hoiekvam, seconded by Aldy, to accept the second bid from Jon Camp with the step increase payments. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 33 carried.

**E. Computer Use.** The Executive Director recommended the Board consider a policy for approved use of the state's e-mail and Internet access available to staff. Moved by Kavich, seconded by Gaines, that the Executive Director draw up a proposed policy on the use of e-mail and the Internet by staff and report back to the Board. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 34 carried.

**F. Approval to Attend NASBA Regional Meeting in Minneapolis, Minnesota.** Although the registration fee to attend the Western Regional Meeting in Minneapolis was \$375 fee before April 30, 1999 and \$450 after April 30, NASBA CEO David Costello agreed to waive the late fee so the Board could approve the travel at this meeting. Moved by Kavich, seconded by Gaines, to approve the attendance and payment of expenses for Hoiekvam, Graf, Kavich, Hunter, Smith and Harmon at NASBA's Regional meeting June 13-15, 1999 in Minneapolis, Minnesota. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 35 carried.

**G. NASBA.** The Board reviewed various NASBA-related correspondence and a proposal by Eli Mason to change NASBA's Bylaws. Moved by Aldy, seconded by Kavich, that the Board support Eli Mason's proposals to changes in NASBA Bylaws as represented in his December 8, 1998 letter and to communicate such support to NASBA. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 36 carried.

**13. Adjournment**

It was moved by Aldy, seconded by Kavich, that the Board adjourn at 4:53 p.m. On roll call vote, all members present voted aye. Member Hunter was absent. Motion number 37 carried.

Submitted by,

William L. Gaines, Jr., CPA  
Secretary